



BUSINESS RESOURCES DIVISION

BIG SKY ECONOMIC DEVELOPMENT TRUST FUND

CATEGORY II: PLANNING PROJECTS APPLICATION GUIDELINES

EFFECTIVE JULY 1, 2012

Governor Brian Schweitzer

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INTRODUCTION

Statement of Purpose

The Big Sky Economic Development Trust Fund (BSTF) program is a state-funded program created by the 2005 Legislature. The program's legislative purpose is to assist in economic development for Montana that will:

- Create good-paying jobs for Montana residents,
- Promote long-term, stable economic growth in Montana,
- Encourage local economic development organizations,
- Create partnerships between the state, local governments, tribal governments, and local economic development organizations that are interested in pursuing these same economic development goals,
- Retain or expand existing businesses,
- Provide a better life for future generations through greater economic growth and prosperity in Montana, and
- Encourage workforce development, including workforce training and job creation, in High-Poverty Counties by providing targeted assistance.

Program Funding

Interest earnings generated from the Big Sky Economic Development Fund are available for financial assistance to local and tribal governments, and economic development organizations through application to the Department of Commerce (Department). These guidelines are for Category II Planning Projects. Applicants can request either a grant or loan from the Program.

Category II: Planning Projects 25% of BSTF earnings shall be awarded to Certified Regional Development Corporations (CRDC's), tribal governments and other eligible economic development organizations that are located in a county that is not part of a CRDC, in the form of grants or loans for economic development planning.

The Montana Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids or services for effective communications or other disability-related accommodations in the programs and services offered are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

PROGRAM CONTACTS

Big Sky Economic Development Trust Fund
Montana Department of Commerce
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Helena, MT 59620-0505
Telephone: (406) 841-2744
FAX: (406) 841-2731
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Montana Relay 1-800-253-4091
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SECTION I DEFINITIONS

Certified Regional Development Corporation (CRDC) – A private, nonprofit economic development corporation that has been designated by the Department through a competitive process to manage and administer funds and programs for the Department on a regional basis.

In-kind Contribution - A contribution of donated time and effort, real and personal property, and goods and services. For BSTF Category II Planning Projects, in-kind contributions may be documented towards the total cost of the project, but should be documented separately from cash match (see definitions). The most basic tenet of valuation is that the item or service donated cannot exceed its fair market value.

Match – New, unexpended cash funds available at the time of application that will be invested in the final deliverable by the CRDC, tribal government, the assisted business and/or other involved organization(s) within the contract period.

Tribal Government – One of the seven federally recognized tribal governments of Montana and the Little Shell band of Chippewa Indians.

SECTION II ELIGIBILITY

A. **ELIGIBLE APPLICANTS** for BSTF Category II: Planning Projects funding include any:

1. Certified Regional Development Corporations (CRDCs), for projects located within a CRDC region.
2. Tribal Government (as defined in the “Definitions” section), for projects located within a tribal government’s jurisdiction. The following must accompany the application:
 - a) A formal tribal governmental resolution supporting the project or an official letter from the tribal chair or president authorizing the application to the Program.
3. Local Economic Development Organizations (EDOs), which are located in a county that is **not part of a CRDC region** and meet program eligibility requirements. To determine if an EDO meets program eligibility requirements refer to the website at www.bstf.mt.gov. Once an EDO is determined eligible, the eligible EDO will not need to resubmit approval documents with each application but rather only if requested by the Program.

The Department shall not award funding to any individual, organization, or governmental unit that is currently in default of the conditions of any loan or grant contract previously executed by the Department.

B. **INELIGIBLE APPLICANTS** for BSTF Category II: Planning Project funding – EDOs located in counties that are served by CRDCs are not eligible to apply for funding. However, they may be involved in implementing and administering a planning award through an agreement, if the CRDC or tribal government agrees to such an arrangement.

C. ELIGIBLE USES OF FUNDS 90-1-204(2)(c)(ii), MCA:

1. Support for business improvement districts and central business district redevelopment,
2. Industrial development,
3. Feasibility studies,
4. Creation and maintenance of baseline community profiles,
5. Matching funds for federal funds, and
6. Administrative expenses, including personnel and operating expenses are allowable expenses for which the BSTF fund may be used, but should not exceed 5% or \$500, whichever is greater, of the total award unless otherwise specified by the Department.
Example: a funding request for \$25,000 may request 5% which equals for a total funding request of \$26,250.

Applications which support a critical activity to move an Economic Development project forward and directly assist a basic sector company are the highest priority of the Department.

Basic Sector Company –

- A business that generates more than 50% of their total dollar sales from outside Montana; or
- More than 50% of their product or services enters into the production of products exported outside of Montana; or
- A business defined as a “value-adding business” by the Montana Board of Investments.

Due to the limited availability of BSTF planning project funding, it is recommended that applicants apply for a single phase or deliverable with each application and apply for subsequent phases or activities after each phase has been completed and demonstrated further project feasibility and/or readiness.

D. INELIGIBLE USES OF FUNDS include:

1. Comprehensive Economic Development Strategies (CEDS) that are required by the US Department of Commerce Economic Development Administration. The Montana Department of Commerce provides funds for this activity through its Certified Regional Development Program,
2. Ongoing operating expenses,
3. Generally, costs incurred prior to the BSTF funding award date, or
4. A project that would result in the transfer or relocation of jobs from one part of the state to another part of the state.

Please contact BSTF program staff for any questions regarding the eligibility of a proposed planning activity prior to submitting an application to the Department.

SECTION III PENALTIES

Award withdrawal - The Department reserves the right to withdraw a commitment of any BSTF funds for projects not ready to proceed within six (6) months after the date of tentative award.

SECTION IV APPLICATION PROCEDURES

Potential applicants are encouraged to contact the Department to discuss their proposed planning activity with BSTF program staff. BSTF program staff will work closely with applicants to negotiate any changes and resolve issues identified during the preparation of their application.

Deadline: Planning applications will be accepted throughout the year until all available funds are committed to projects.

Applicants must submit three (3) hard copies and one (1) electronic copy of each finalized BSTF application. The hard copies should be 3-hole punched (not spiral bound). Appendix B Application Checklist should be included. The electronic copies of all documents should be e-mailed to docbstf@mt.gov or provided on a CD to be mailed with the hard copies. They should be mailed to:

Big Sky Economic Development Trust Fund
Montana Department of Commerce
301 S. Park Avenue, Rm 107
PO Box 200505
Helena, Montana 59620-0505

If you are unable to produce the application materials in electronic format, please contact BSTF program staff to discuss other options.

SECTION V APPLICATION REVIEW

To determine the merit of each application and the eligible uses of BSTF funds, the Department Grant/Loan Review Committee (Committee) will review applications from eligible applicants and will make recommendations to the Director of the Department, who will make the final decision concerning funding awards.

Applications that are received and accepted as complete, and have received staff analysis and recommendations, will be submitted to the Committee at the next Committee meeting, unless otherwise requested by the Committee. Applications will be reviewed by the Committee, and if approved by the Committee and the Director, will be funded.

If funded, a letter of tentative award will be sent to the applicant and the assisted business stating what amount was approved for funding and any conditions that apply to the award. Generally, the date of the funding decision by the Committee will be the beginning date of the BSTF contract period. Therefore, it is important that the applicant **not incur costs** or obligate funds, which are intended to be reimbursed with BSTF financial assistance, prior to the award date, which is the start of the contract time period. Expenses incurred by the recipient before the award date are expenses incurred at their own risk.

The following criteria may be used to determine the merit of each application:

- The application's response to an economic development distress or opportunity and potential for the proposed activity to provide for economic development success,
- The potential job creation as a result of the activity,
- The potential impact of the proposed activity on the economy of a community, region and/or the state,
- Local participation and commitment demonstrated with matching funds and letters of support,
- The community and regional economic need, and
- Project readiness to proceed immediately upon notification of award.

The Department may make awards in amounts above or below the recommended limits, if it is determined by the Department that the activities that the CRDC, tribal government or other eligible EDO is proposing could result in substantial impact on the economy of a community, region and/or the state.

SECTION VI PROCEDURES TO ACCESS FUNDS

- A. **Award Letter** – The Department, upon the Director's approval of the funding requested, will mail a tentative award letter to the applicant notifying them of the BSTF commitment and the terms and conditions of that approval.

It is mandatory that the applicant **not incur costs** or obligate funds, which are intended to be reimbursed with BSTF financial assistance, prior to the award date, which is the start of the

contract time period. It should be clear that expenses incurred by the recipient before the award date are incurred at their own risk.

- B. **Contracts** – The appropriate contract for an award will be a contract between the Department and the CRDC, tribal government or other eligible EDO. The Department will use a basic form for this agreement, although performance criteria for specific agreements will vary. The BSTF application will be incorporated into the contract.
- C. **Disbursement of Funds** – The Department requires approved documentation verifying eligible costs incurred by the grantee. The Department reserves the right to request further documentation in a particular case when, in the exercise of its judgment, such documentation is needed to confirm performance. The basic documentation must include:
1. A Request for Payment Form signed and dated by the authorized representative,
 2. A Project Progress Report from the grantee detailing the progress made on the project over the past quarter and anticipated progress over the upcoming quarter,
 3. Drafts or updates received from the professional completing the activity, and
 4. Documentation of eligible costs incurred on the project (ex. invoices, receipts) which includes:
 - a. Contractor invoice or receipt of payment made from the grantee for services rendered,
 - b. Invoice from the grantee to the Department for administrative fees.
 5. Documentation of invoice to match resource (if applicable). In-Kind match must be documented by a table with the name of employee, hours worked, hourly rate and total.

Note: Many projects are approved on a 50% reimbursement basis. In this stipulation, half of the costs of an eligible invoice received by the Department will be paid.

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over the records of related parties in the project. The Department requires access to such records, as well as the ability to inspect all project work, invoices, materials, and other relevant records at reasonable times and places. The award contract requires the applicant to furnish, upon the Department's request, all data, reports, contracts, documents and other information relevant to the project. The award contract specifies a periodic reporting requirement for the project.

Note: The Department will withhold twenty percent (20%) of the total amount awarded to the Contractor until the Department verifies that all tasks outlined in the SCOPE OF WORK, the CONDITIONS ON METHOD OF REIMBURSEMENT, and the REPORTING REQUIREMENTS sections of the signed contract have been completed by the Contractor and approved by the Department.

APPENDICES

APPENDIX A: APPLICATION FORM – PLANNING PROJECTS

MONTANA DEPARTMENT OF COMMERCE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND (BSTF) CATEGORY II: PLANNING PROJECTS

This appendix should be the first item to appear in the application.

Please reference the Application Guidelines for a complete explanation of required application information. Requirements:

- *Submit 3 original copies (3-hole punched; not spiral bound or double-sided) and*
- *1 electronic copy of the application sent via CD or email to docbstf@mt.gov.*

I. APPLICANT INFORMATION - CRDC/EDO/TRIBAL GOVERNMENT	
Name of Eligible Applicant	
Federal Tax ID Number	
Authorized Contract Signatory (Full Name & Title)	
Daily Contact Person (Name & Title)	
Address (Street, City and 9-Digit Zip Code)	
County	
Phone Number	
Email Address	
Fax Number	

II. PROJECT SUMMARY INFORMATION	
Name of Project	
Proposed Use of BSTF Funds: Eligible Activities Listed in Section II. C of the Application Guidelines	
Project Location	
Total Project Cost It is recommended that cost estimates be included with the application to document the cost of the proposed project.	
Amount of BSTF Funds Requested The amount of BSTF Funds should not typically exceed \$26,250. \$25,000 for project assistance and up to \$1,250 (5%) for eligible administrative activities.	
Type of Assistance Requested(Grant or Loan)	
Total Cash Match As stated in Section V. Application Review of the Guidelines --matching funds will be considered when reviewing the merit of the application.	
Name & Address of Assisted Business (If Applicable)	
Contact Person for the Assisted Business	
Total Number of New Jobs to be Created (If Applicable)	
Senate and House Districts (where the project is located)	

III. PARTNER ORGANIZATION(S) (IF APPLICABLE)
<i>Local economic development organizations may be involved in implementing and administering a project if the eligible applicant agrees to such an arrangement. If a partner EDO will be involved in the project, please provide the information in this section.</i>

Contact Person (Full Name & Title)	
Organization	
Address (Street, City and 9-Digit Zip Code)	
Phone Number	
Email Address	
What are the partner organizations responsibilities relative to completing the proposed project?	

IV. PROJECT
<ul style="list-style-type: none"> <i>Please describe, in detail, the project. Include:</i> <ul style="list-style-type: none"> <i>a. The nature of the proposed activity,</i> <i>b. The nature of the assisted business (if applicable),</i> <i>c. For what activities the BSTF funds will be used,</i> <i>d. Identify the entities involved in completing the proposed project, including management of the project/staffing plan, and</i> <i>e. An implementation plan/timeline for project activities start-up through closeout.</i> <i>Specify if outside professional services will be procured.</i> <i>Provide any relevant historical information on this project or the region it would support.</i>

V. PROJECT OBJECTIVES & DELIVERABLES
<i>Please describe, in detail, the objectives of the project. Include a bulleted list detailing what will be delivered to the Department demonstrating objectives were met at the end of the project. (What are the deliverables?)</i>

VI. PROJECT ECONOMIC IMPACT STATEMENT
<i>Please provide a summary of the impacts (both positive and negative) the project would have on the state, regional and community economy.</i>

VII. PROJECT SOURCES & USES OF FUNDS					
	SOURCE: BSTF	SOURCE: Match	SOURCE:	TOTAL	COMMITTEE APPROVED TOTAL FOR BSTF STAFF USE
Administration (up to 5%)					
Professional Services					
Other:					
TOTAL PLANNING PROJECT	\$	\$	\$	\$	\$

List cash and in-kind contributions separately.

Provide a total project cost breakdown. List separately any cash and in-kind contributions to the project. Provide a narrative describing each cost line item listed above. This should include a description of each activity that will need to be undertaken in order to complete the project, the source of funding, the status of the funds, and the responsible entity. Include cost estimates and/or quotes for any professional services or vendors to be utilized and letters of commitment for entities providing matching funds.

Note: The Department will withhold twenty percent (20%) of the total amount awarded until the Department verifies that all tasks outlined in the contract have been completed and approved by the Department.

VIII. CERTIFICATION BY CRDC, ELIGIBLE EDO, or TRIBAL GOVERNMENT

As the responsible authorized agent of____, I hereby submit this Big Sky Economic Development Trust Fund Application, and will comply with all requirements set out in the BSTF program guidelines in the implementation of this project.

The information presented in this application is, to the best of my knowledge, true, complete and accurately represents the proposed project. I understand that additional information and documentation may be required.

_____ will accept responsibility for management of the project and compliance with Big Sky Economic Development Trust Fund regulations, and is the authorized contact for the release of additional information and/or documentation regarding this application.

Name

(typed): _____

Title (typed): _____

Authorized Representative

Signature: _____

X

Date: _____

APPENDIX B: APPLICATION CHECKLIST

Please include the following information with your application.

Page/Tab Number _____

1. Application (Appendix A) _____

Have you included?

- I. Applicant Information
- II. Project Summary
- III. Partner Information (if applicable)
- IV. Project Information, including
 - a. The nature of the proposed activity,
 - b. The nature of the assisted business (if applicable),
 - c. For what activities the BSTF funds will be used,
 - d. Identify the entities involved in completing the proposed project, including management of the project/staffing plan, and
 - e. An implementation plan/timeline for project activities start-up through closeout.
- V. Project Objectives and details regarding the final deliverables
- VI. Project Economic Impact Statement (both negative and positive)
- VII. Project Sources and Uses of Funds form with a narrative describing each cost item including a cost estimate or price quote and letters of commitment for matching funds.

2. Signed Certification _____

3. Supporting Documentation: *Attach all supporting documentation. This could include letters of support from organizations, businesses or communities as well as any other documents you feel is beneficial.*

4. (Description) _____

5. (Description) _____

6. (Description) _____

TRIBAL GOVERNMENT APPLICATIONS:

Tribal Government Resolution or an official letter from the tribal chair or president authorizing the application _____